

Message Text

SECRET

PAGE 01 LISBON 00721 261819Z

ACTION EB-04

INFO OCT-01 SS-04 ISO-00 TRSE-00 EUR-03 NSCE-00 NSC-04

INR-01 INRE-00 FRB-03 CEA-01 SSO-00 /021 W

-----261827Z 054703 /41 R

O 261752Z JAN 77

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 9949

S E C R E T LISBON 0721

LIMDIS

DEPT PASS TREASURY FOR DONALD SYVRUD

E.O. 11652: GDS

TAGS: EAID, EFIN, ECON, PO

SUBJ: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: (A) STATE 11282, (B) STATE 16773

1. ECON COUNSELOR PRESENTED WRITTEN COPY OF PROPOSED AMENDMENTS AND THE UNDERSTANDINGS CONTAINED REFTELS TO BANK OF PORTUGAL GOVERNOR SILVA LOPES AFTERNOON OF JANUARY 26. SILVA LOPES STATED THAT GOP LAWYERS WILL HAVE TO STUDY PROPOSED AMENDMENT TO TITLE OF ANCILLARY AGREEMENT NO. 1 TO DECIDE WHETHER IT WILL REQUIRE AGREEMENT TO BE SUBMITTED TO THE NATIONAL ASSEMBLY. HE CLEARLY WAS DISAPPOINTED THAT USG CANNOT AT THIS TIME AGREE TO A REFERENCE TO THE PROPOSED \$1.5 BILLION CONSORTIUM LOAN IN COVERING LETTER OF AGREEMENT. SILVA LOPES STATED THAT PRIME MINISTER HAD BEEN ADAMANT IN INSISTING ON SUCH A REFERENCE. HE PROMISED, HOWEVER, TO RAISE ISSUE WITH PRIME MINISTER AGAIN, PROVIDING HIM ALSO WITH COPY OF FORD ADMINISTRATION'S SUBMISSION TO U.S. CONGRESS REQUESTING FUNDS FOR USG PARTICIPATION IN CONSORTIUM.

SECRET

SECRET

PAGE 02 LISBON 00721 261819Z

2. ALTHOUGH GOP DID NOT REACH AGREEMENT WITH IMF ON FIRST TRANCHE STANDBY, SILVA LOPES CLAIMS THAT HE IS NOT REPEAT NOT VERY PESSIMISTIC ON THIS ACCOUNT. INDEED, HE FEELS THAT ACCORD ON FIRST TRANCHE WILL BE ACHIEVED AND THAT GOP WILL REQUEST NEGOTIATIONS IN APRIL FOR SECOND TRANCHE STANDBY. MAJOR STUMBLING BLOCK, ASIDE FROM DEVALUATION ISSUE, IS IMF PROPOSED CEILING ON

BANKING SYSTEM'S CREDIT TO PUBLIC SECTOR. GOP HAS SET
LIMIT FOR SUCH CREDITS OF 49 BILLION ESCUDOS. IMF WOULD
LIKE TO REDUCE THAT AMOUNT TO A MAXIMUM OF 40 BILLION
ESCUDOS, OR, UNDER PREFERRED TARGET, TO 30 BILLION.

3. SILVA LOPES PROMISED TO PROVIDE RESPONSE ASAP.
CARLUCCI

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, BANKS, FOREIGN COMMITMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jan-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON00721
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770028-0852
Format: TEL
From: LISBON
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770117/aaaaaopd.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 342d08d1-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: SECRET
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS
Reference: 77 STATE 11282, 77 STATE 16773
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3498236
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EAID, EFIN, ECON, PO, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/342d08d1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009